



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

September 15, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FOSTER FAMILY AGENCY AND GROUP HOME RATE REDUCTION STATE BUDGET IMPACT

Due to current economic conditions, budget recommendations put forth by this office have adhered to the policy of not backfilling program reductions imposed by the State of California (State). The State budget adopted in July 2009, contains a State imposed reduction of 10 percent in the rate paid to group homes and foster family agencies. Consistent with current budgetary policy, this office does not recommend this reduction be backfilled.

On October 21, 2008, the Board of Supervisors approved master contracts to be used when procuring services from foster family agencies and group home providers. Although the funding sources are identified as 36 percent federal, 33 percent State and 31 percent net County cost, the rate to which these percentages are applied is the rate set by the State. Traditionally, the County has adhered to the State rate. It is our recommendation that we continue this tradition, thus implementing the reduction. If we were to maintain the old rate by providing a backfill, the County's share of the costs would increase by \$8.7 million.

If you or your staff have any questions on this matter, you may contact me or Jackie White at (213) 974-4530.

WTF:SRH
JW:ljp

rate reduction.bm

"To Enrich Lives Through Effective And Caring Service"

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